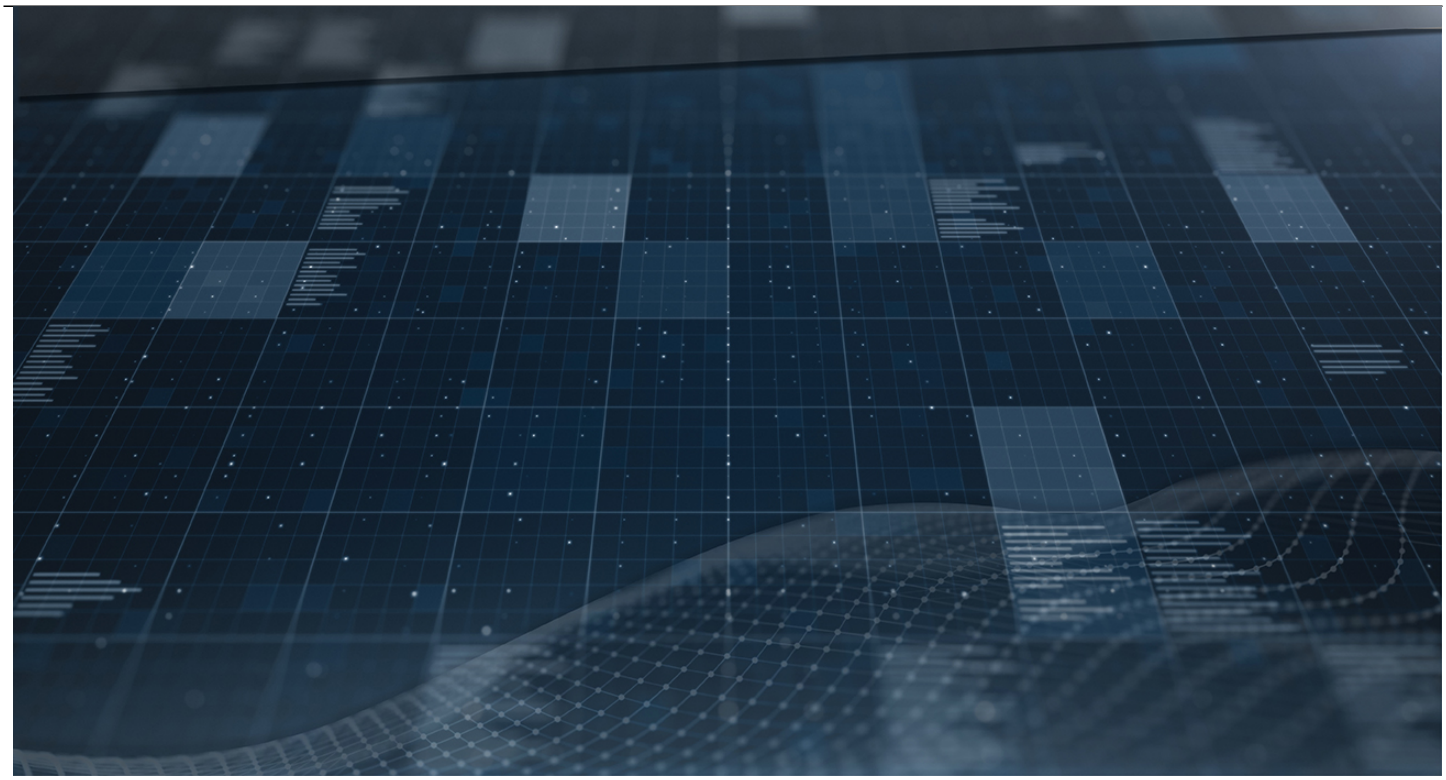


ACC Law Department Management Benchmarking Data

Law Department Management



The ability to assess operational performance based on widely used key performance indicators (KPIs) is a critical tool for assessing staffing needs and to justify the required budgetary resources to deliver better services to the business.

High-quality metrics specific to the legal department can be difficult to find and expensive to acquire so ACC Research, along with our partner Major, Lindsey & Africa, conducts an annual survey. Survey results and data points are culled into a detailed benchmarking report which is available to all who participate.

ACC's Benchmarking Survey covers a wide range of key information

The ACC Legal Department Management Benchmarking Survey first launched in 2019 and is currently in its third edition. It collects data on business unit reporting structures, legal staffing, inside and outside legal spending, work allocation, use of law firms, and diversity and inclusion metrics. All legal departments globally are welcome to participate. About 500 organizations covering more than 20 industry sectors and all company sizes did so in the 2019 and 2021 editions of the survey.

The scope of the survey and depth and variety of the participating organizations has allowed ACC to provide extensive benchmarking reports that hone into many angles, with results that focus specifically on companies of a certain size, industry sectors, and legal teams that range from one-lawyer departments to those with hundreds of legal staff.

Financial and operational metrics provided allow for actionable decisions

Do you know the total cost of your legal department to the company, and how it compares to peer departments? Do you have the optimal balance of lawyers and support staff? Curious to know the kinds of legal work that are being performed exclusively in-house and what is being sent out to law firms and Alternative Legal Service Providers (ALSPs)?

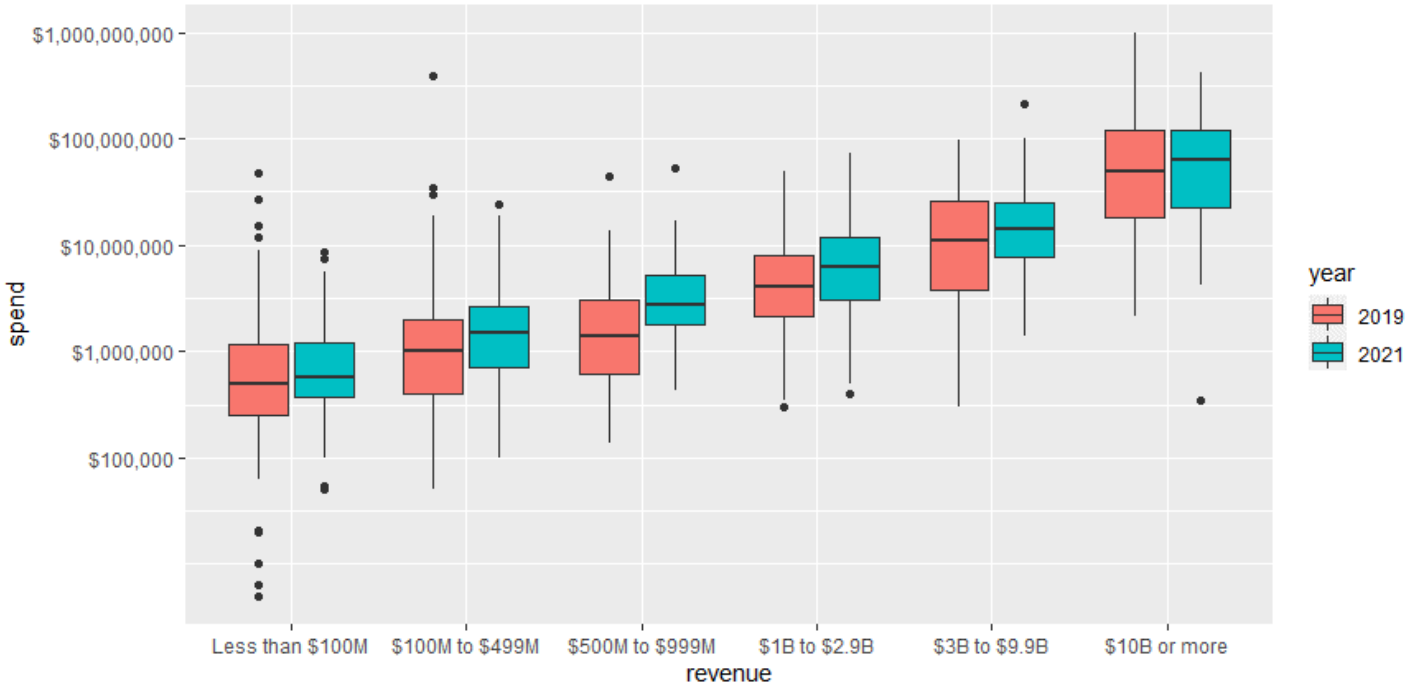
As part of the survey process, participants provide the headcount for several legal department position categories — lawyers, paralegals, and legal operations professionals — and annual spending amounts, including total inside, outside, and overall legal spend.

With this short list of data points and other company demographic data, ACC Research creates a number of standard KPIs. Our reports include metrics such as the number of lawyers per US$1 billion in company revenue, lawyers-to-support staff ratio, and the number of lawyers both as a percentage of legal department staff and overall employee headcount.

> Do you know the total cost of your legal department to the company, and how it compares to peer departments?

Critical data ACC provides includes average internal versus external spend distribution, legal spend as a percentage of company revenue, and lawyer cost-per-hour — all essential metrics in establishing the overall cost of legal to the business. And we can now use the successive editions of the survey to track and report on the overall trend for critical benchmarks.

For example, the boxplot chart below shows the statistical distribution of total legal department spend by company size for 2019 and 2021. As we would expect, larger companies spend significantly more than smaller companies. Not only can we observe that, but the data also shows that participating legal departments spent more in 2021 compared to 2019 across all company sizes.



Sample data provided by the *ACC Law Department Management Benchmarking Survey.*

Our reporting also includes other metrics related to legal department structure, such as which business functions report into the legal department, or how different legal tasks — document

management, litigation, or intellectual property management, to name just a few — are handled internally, externally by outside counsel, externally by alternative service providers, or a combination.

Visit our ACC Benchmarking Reports web page for more information on what is included.

Survey participants receive the full benchmarking report

At the end of each annual survey cycle, two reports are produced: An executive summary and an extensive full benchmarking report.

The executive summary is a great resource to obtain a high-level picture of the current landscape but should not be used alone for benchmarking purposes. This summary is made freely available to ACC members and non-members.

The full report provides a detailed drill-down of all metrics and KPIs across industries, company sizes, and department sizes, and is intended to be used for benchmarking purposes. All survey participants receive the report in exchange for their participation.

Custom benchmarking reports offered

ACC Research also offers custom benchmarking reports. We understand that the most effective benchmarking exercise will require a true apples-to-apples peer group. By working with you to define your ideal peer group, we screen our data to come up with a working sample of companies based on parameters that can include revenue range, company type, industry sector, and geographic location. We then create a tailored report with the specific results for that narrower group of organizations. Custom reports, therefore, offer tremendous flexibility and are highly valuable for these detailed peer-to-peer comparisons.

Benchmarking consultation for ACC members

Additionally, ACC has partnered with Smarter Law Solutions to provide ACC members with a complimentary benchmarking consultation (using ACC's benchmarking data) that assesses your legal department's "bottom line" based on three essential KPIs:

1. Lawyers per US$1 billion in revenue
2. Internal spend as a percentage of revenue, and
3. External spending as a percentage of revenue.

Learn more about this members-only benefit.

Contact ACC Research to request your consultation.

Is there something holding you back from pursuing a benchmarking consultation service for your legal department? Smarter Law Solutions CEO Trevor Faure responds to common hesitancies in his *ACC Docket* article.

Make the most of ACC's benchmarking services by participating in this year's survey

ACC's benchmarking offerings have significantly expanded in the last four years. Our goal is to provide our members with the data they need to help them make more informed decisions in their roles.

However, **the key to continually improving and growing our benchmarking offerings is your survey participation.**

The *ACC 2022 Law Department Management Benchmarking Survey* is open for participation through April 1, 2022. If your department has not yet participated, visit our benchmarking page and submit your response online.

Participating departments will receive the full overall survey results with the entire list of benchmarking metrics and multiple data breakdowns by different company sizes, company types, industry sectors, and legal department sizes. The *2022 Legal Department Management Benchmarking Report* will be available in June 2022.

Participate now in the ACC 2022 Law Department Management Benchmarking Survey.

Review the 2021 executive summary on the ACC Benchmarking Reports page, reach out to ACC Research to learn more about options available and pricing of a custom benchmarking report, or request a complimentary benchmarking consultation exclusively for ACC members.

Blake E. Garcia, PhD



Senior Director of Research and Business Intelligence

Association of Corporate Counsel

Dr. Blake Garcia is the Senior Director of Research and Business Intelligence at the Association of Corporate Counsel (ACC), where he spearheads the growth and management of ACC's research department. Over the past 10 years, Dr. Garcia has transformed ACC's research capabilities from a limited member surveying unit into a multifaceted, full-service data hub that empowers the in-house legal community. He has led numerous high-impact international surveys and developed data-driven resources, products, and services that equip in-house counsel and legal operations professionals with the insights they need to make strategic business decisions.

Dr. Garcia has published several peer-reviewed articles in scientific journals applying statistical and experimental methodologies and has taught several college courses on quantitative research in the social sciences. He has a Ph.D. in political science from Texas A&M University and a B.A. in international politics from The Pennsylvania State University.

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